

## **940 CMR 14.00**

### **Compensation of Victims of Violent Crimes**

#### **Statements of Fiscal Effect & Small Business Impact**

M.G.L. c. 30A, sec. 5 provides that before any regulation becomes effective, agencies of the Commonwealth must file an estimate of its fiscal effect on both the public and private sectors for the first and second years and for the first five years; or state that there is no fiscal effect if that is the case. According to the Secretary of State's office, this requirement does not mean the cost/benefit analysis that accompanies federal regulations, but rather an agency's best judgment of the "out of pocket" expenses that will be incurred in complying with the regulation.

In addition, M.G.L. c. 30A, sec. 5 also provides that before any regulation becomes effective, agencies of the Commonwealth must file with the state secretary a statement considering the impact of said regulation on small business. Such statement of consideration shall include, but not be limited to, an estimate of the number of small businesses subject to the proposed regulation, projected reporting, record keeping and other administrative costs required for compliance with the proposed regulation, the appropriateness of performance versus design standards, an identification of all relevant regulations of the promulgating agency which may duplicate or conflict with the proposed regulation, and an analysis of whether the proposed regulation is likely to deter or encourage the formation of new businesses in the Commonwealth.

The proposed changes to Compensation of Victims of Violent Crimes Regulations ("the Regulations") expand the assistance options available to victims without raising the existing cap on victim compensation. These proposed changes allow for reimbursement for crime scene clean up, damaged or seized clothing and bedding, security measures, and mental health services for parents of crime victims. These changes also increase the reimbursement cap on funeral expenses and reflect the applicable changes made by Chapter 58 of the Acts of 2006, the Massachusetts health care reform law.

#### **Fiscal Effect on the Public and Private Sectors**

In the public sector, it is expected that any necessary changes in business practices that must be made to comply with the Regulations (such as administrative changes to the program application and outreach to appropriate providers) would involve minimal costs to be incurred by the Office of the Attorney General in the first year. Additionally, we expect our staff will need to engage in a very minor amount of additional data gathering for a small portion of claims. There will be no increase in cost of compliance from year two to year five.

There is no "hard" estimate of the fiscal impact of the Regulations on the private sector for the first, second and first five years. The private sector may experience a minor amount of additional business due to the increase in reimbursable services from the changes to the Regulations. These changes include allowing for compensation for crime scene clean up for up to \$1,500. Additionally, they permit reimbursement for security devices up to \$500, mental health services for non-offending parents, and they increase the reimbursement cap for funeral

expenses from \$4,000 to \$6,500. Therefore, service providers in these four industries may see a minor increase in business.

### **Small Business Impact**

As stated above, there are four types of small businesses that may be impacted positively with the adoption of these new regulations: crime scene cleanup services, security companies, mental health providers, and funeral services. As such, there may technically be hundreds of small businesses that perform these types of services in the Commonwealth and may be impacted by the Regulations. The Regulations do not impose new record keeping, reporting requirements, or other administrative costs required for compliance with the proposed regulations. In drafting these Regulations, the Attorney General considered the appropriateness of performance standards versus design standards and concluded that performance standards are the most reasonable and cost-efficient method of achieving meaningful protections for victims of violent crimes. A review of all relevant regulations indicated that there are no regulations which may duplicate or conflict with the proposed Regulations. Finally, these Regulations are unlikely to deter or encourage the formation of new businesses in the Commonwealth; however, they may positively impact those certain businesses that perform the specific type of services that will become reimbursable pursuant to the Regulations.